
AGENCY: Executive Director

SUBJECT: Revenue Bonds

The required review on the following proposals to issue revenue bonds has been completed with satisfactory results. The projects require approval under State law.

- a. Issuing Authority: Jobs-Economic Development Authority
 Amount of Issue: Not Exceeding \$80,000,000 Student Housing Revenue Bonds
 (\$124,500,000 previously approved)
 Allocation Needed: -0-
 Name of Project: EOP CCU, LLC
 Employment Impact: 12 over the next 24 months
 Project Description: acquisition of all membership interests in Coastal Housing
 Foundation, LLC and Campus Edge Apartments at Conway, LLC,
 by EOP CCU, LLC, a South Carolina limited liability company
 whose sole member is American Housing Foundation, a Texas
 non-profit corporation

 Note: *private sale*
 Bond Counsel: Ray E. Jones, Parker, Poe Adams & Bernstein LLP
- b. Issuing Authority: Jobs-Economic Development Authority
 Amount of Issue: Not Exceeding \$30,000,000 Hospital Facilities Revenue Bonds
 (\$9,000,000 refunding involved)
 Allocation Needed: -0-
 Name of Project: Kershaw County Medical Center
 Employment Impact: maintain existing employment for 800 employees and provide
 employment for 64 employees within 12 months, and an additional
 4 employees within 24 months of completion
 Project Description: (1) acquisition, by construction or purchase, of certain land and
 improvements thereon, and certain additions thereto and machinery
 and equipment therefore, related to an approximately 43,000
 square foot medical office building (MOB), (2) acquisition of
 certain land located adjacent to the MOB to be used for expansion
 purposes, (3) acquisition of certain land and existing improvements
 thereon to be used as an outpatient medical complex, and (4)
 acquisition, by construction or purchase, of such other capital
 improvements and renovation to and equipping of existing
 facilities of the Medical Center.

 Note: *private sale for public reoffering thereafter*
 Bond Counsel: Michael J. Seezen, McNair Law Firm, P.A.

AGENCY: Executive Director

SUBJECT: Revenue Bonds -- Continued

- c. Issuing Authority: State Housing Finance and Development Authority
Amount of Issue: \$14,400,000 Multifamily Rental Housing Revenue Bonds
(\$9,900,000 refunding involved)
Allocation Needed: -0-
Name of Project: Brookside Crossing Apartments
Employment Impact: n/a
Project Description: defray the costs of the construction of approximately 162-unit
apartment development, known as Brookside Crossing Apartments
Bond Counsel: Samuel W. Howell, IV, Howell Linkous & Nettles, LLC
- d. Issuing Authority: State Housing Finance and Development Authority
Amount of Issue: Not Exceeding \$85,000,000 Mortgage Revenue Bonds
Allocation Needed: -0-
Name of Project: Mortgage Revenue bonds
Employment Impact: n/a
Project Description: mortgage revenue bonds
Bond Counsel: Rion D. Foley, McNair Law Firm, P.A.

BOARD ACTION REQUESTED:

Adopt resolutions approving the referenced proposals to issue revenue bonds.

ATTACHMENTS:

Resolutions; Code Section 1-11-500 et seq.

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE OF NOT EXCEEDING \$80,000,000 AGGREGATE PRINCIPAL AMOUNT STUDENT HOUSING REVENUE BONDS (EOP CCU, LLC PROJECT) IN ONE OR MORE SERIES OF TAX-EXEMPT OF TAXABLE BONDS, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 41, CHAPTER 43 (1976), AS AMENDED

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "*Authority*") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended (the "*Act*"), requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its tax-exempt or taxable student housing revenue bonds in the aggregate principal amount of not exceeding \$80,000,000 (together, the "*Bonds*") through public or private sale, as the Authority may determine to be most advantageous; and

WHEREAS, the Authority represents to the Budget and Control Board of the State of South Carolina that the Bonds will be underwritten (i.e., publicly sold) or privately placed in a manner acceptable to the Authority.

NOW, THEREFORE, BE IT RESOLVED, by the Budget and Control Board of the State of South Carolina, as follows:

Section 1. It is hereby found, determined and declared by the Board that: the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 41-43-110 of the Act.

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the bonds through private sale be and the same is hereby in all respects approved.

Section 3. This Resolution shall take effect immediately.

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE (FOR PUBLIC REOFFERING THEREAFTER) OF NOT EXCEEDING \$30,000,000 PRINCIPAL AMOUNT OF ITS HOSPITAL FACILITIES REVENUE BONDS OR NOTES (KERSHAW COUNTY MEDICAL CENTER PROJECT), PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority") has heretofore under and pursuant to the provisions of Section 41-43-110 Code of Laws of South Carolina 1976, as amended (the "Act"), requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its Hospital Facilities Revenue Bonds (Kershaw County Medical Center Project), in one or more series, in the aggregate principal amount of not exceeding \$30,000,000 (the "Bonds") through private sale, for public reoffering thereafter, which the Authority has determined to be most advantageous.

WHEREAS, the Authority represents to the State Budget and Control Board that the Bonds will be sold through a private sale, for public reoffering thereafter, acceptable to the Authority to be most advantageous.

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. It is hereby found, determined and declared by the Board that the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 41-43-110 of the Act.

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the Bonds through private sale for public reoffering thereafter, be and the same is hereby in all respects approved.

Section 3. This Resolution shall take effect immediately.

A RESOLUTION

GRANTING APPROVAL TO THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY, OF ITS MULTIFAMILY RENTAL HOUSING REVENUE BONDS (BROOKSIDE CROSSING APARTMENTS)

WHEREAS, the South Carolina State Housing Finance and Development Authority Act of 1977, as amended, (the "Act") provides that, upon the approval of the State Budget and Control Board (the "Board"), the South Carolina State Housing Finance and Development Authority (the "Authority") may issue from time to time bonds for the purpose of obtaining funds with which to make (1) construction or rehabilitation loans secured by mortgages of housing sponsors or of persons or families of either beneficiary class (as defined in the Act) (the "Beneficiary Class"); and (2) permanent mortgage loans to housing sponsors who agree to and shall be required to provide construction or rehabilitation of residential housing for rental by persons or families of either Beneficiary Class; provided, however, that with respect to any particular issue of bonds, one of the following conditions must be met: (a) if there is a public distribution of the bonds, the issue must be rated by one or more of the national rating agencies, and one or more of the following conditions must be met: (i) there must be in effect a federal program providing assistance in repayment of such loans; (ii) the proceeds must be used to acquire either federally insured mortgage loans or mortgage loans insured by a private mortgage insurer authorized to do business in the State of South Carolina; or (iii) the payment of the bonds to the purchasers and holders of them must be assured by the maintenance of adequate reserves or insurance or a guaranty from a responsible entity which has been determined to be sufficient by the Authority and the Board; or (b) if the bonds are secured by a mortgage or other security agreement and are offered and sold as a unit with such mortgage or other security agreement in transactions with banks, institutional buyers, or other nonregistered persons as provided in Section 35-1-202(11)(A) of the Code of Laws of South Carolina 1976, as amended, the documents pursuant to which the bonds are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its rights with respect to, any collateral or security pledged to secure the bonds; and

WHEREAS, the Authority has presented to the Board its Petition dated May __, 2008 (the "Petition"), which, together with the exhibits thereto attached, sets forth certain information with respect to the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD IN MEETING DULY ASSEMBLED:

Section 1. Approval is granted to the undertaking of the Authority as outlined in the Petition, including the exhibits attached thereto.

Section 2. Subject to the conditions set forth in Section 3, approval is hereby granted by the Board to the execution and delivery by the Authority of its South Carolina State Housing Finance and Development Authority Multifamily Rental Housing Revenue Bonds (Brookside Crossing Apartments) in the principal amount not to exceed \$14,400,000.

Section 3. The approval of the Board is hereby conditioned on the following:

(a) The approval of the State Treasurer of the form and substance of and such documents as he deems necessary therefore;

(b) Prior to the issuance of the Bonds the Authority shall have provided to the State Treasurer, to the extent not previously provided, the information required to be submitted to the Board by the provisions of Section 31-13-220, to wit:

- (i) the principal amount of the Bonds to be issued;
- (ii) the maturity schedule of the Bonds to be issued;
- (iii) a schedule showing the annual debt service requirements of all outstanding notes and bonds of the Authority;
- (iv) a schedule showing the amount and source of revenues available for the payments of debt service on said bonds;
- (v) the method to be employed in selling the Bonds.

(c) The State Treasurer shall find and determine that the funds estimated to be available for the repayment of the Authority's notes and bonds, including the Bonds, will be sufficient to provide for the payment of the principal and interest thereon;

(d) The documents pursuant to which the Bonds are being issued shall provide that all expenses, costs, and fees of the Authority in connexion with the issuance of the Bonds, including legal fees, printing, and all disbursements shall be paid by the Housing Sponsors (as defined in the Petition); and

(e) The final approval by the Governor as the elected official of the State of South Carolina for purposes of Section 142(f) of the Internal Revenue Code of 1986, as amended.

Section 4. This Resolution shall take effect immediately upon its adoption.

Section 5. This Resolution supersedes the resolution of the Board adopted on January 31, 2008, regarding the financing of the Project as described in the Authority's Petition.

THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA

A RESOLUTION

APPROVING THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY OF SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY MORTGAGE REVENUE BONDS.

WHEREAS, pursuant to Chapter 13, Title 31, Code of Laws of South Carolina, 1976, as amended, (the "Act"), upon the approval of the State Budget and Control Board of South Carolina (the "State Board"), the South Carolina State Housing Finance and Development Authority (the "Authority") is empowered to issue bonds and notes the principal proceeds of which will be applied to providing sanitary and safe residential housing for persons and families of low income and moderate-to-low income (collectively, the "beneficiary classes") at prices which such persons can afford and to refund certain prior bonds, notes and other obligations of the Authority; and

WHEREAS, the Authority heretofore on September 13, 1994, adopted a General Resolution for the issuance of South Carolina State Housing Authority Mortgage Revenue Bonds to provide money for mortgage loans to the beneficiary classes and to refund certain prior bonds, notes and other obligations of the Authority and afterwards issued multiple series of its bonds and notes pursuant to said General Resolution (the "General Resolution"); and

WHEREAS, in light of additional demand for mortgage loans, the Authority proposes to make provision for the issuance of additional Authority Mortgage Revenue Bonds or Notes in one or more series (collectively, the "Series 2008 B Bonds"), in an aggregate amount not to exceed \$85,000,000, with the final amount to be determined on the basis of the apparent demand for mortgage loans to be made with the proceeds of the Series 2008 B Bonds and when a determination of the appropriate amount of bonds, notes and other obligations of the Authority for refunding can be made; and

WHEREAS, it is anticipated that the Series 2008 B Bonds will be sold to underwriters (the "Underwriters") headed by Goldman, Sachs & Co bearing interest at an average rate not to exceed 7% per annum; and

WHEREAS, such sale shall be made pursuant to one or more purchase contracts between the Authority and the Underwriters (the "Purchase Contract"); and

WHEREAS, the State Board has given due consideration to the proposed undertaking of the Authority and has determined to give approval to the issuance and sale of the Series 2008 B Bonds, subject to the conditions set forth herein.

NOW, THEREFORE BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA IN MEETING DULY ASSEMBLED:

Section 1. Subject to the conditions set forth herein, approval is hereby granted by the State Board to the issuance and sale by the Authority of not exceeding \$85,000,000 South Carolina State Housing Finance and Development Authority Mortgage Revenue Bonds and Notes, Series 2008 B.

d.

The Series 2008 B Bonds shall be secured by the General Resolution and shall be further secured by, and subject to such terms and conditions as shall be set forth in, a supplemental resolution or resolutions which shall hereafter be adopted by the Authority.

Section 2. The approval is granted provided that the Authority shall submit to the State Board all information required to be submitted to it pursuant to Section 31-13-220 of the Act such as the following:

- (a) the principal amount of the Series 2008 B Bonds to be issued;
- (b) the maturity schedule of the Series 2008 B Bonds to be issued;
- (c) a schedule showing the annual debt service requirements of all outstanding notes and bonds of the Authority;
- (d) a schedule showing the amount and source of revenues available for the payment of debt service on said notes and bonds of the Authority;
- (e) the method to be employed in selling the Series 2008 B Bonds

Section 3. The approval is granted subject to the following conditions:

- (a) The Authority shall submit to the State Board all information required to be submitted to it pursuant to Section 31-13-220 of the Act as stated above;
- (b) The State Treasurer shall approve the principal amount of the Series 2008 B Bonds and the rate of interest to be borne thereby upon the issuance and delivery thereof;
- (c) The State Treasurer shall approve the form and substance of preliminary and final official statements to be distributed in connection with the sale of the Series 2008 B Bonds;
- (d) The State Treasurer shall approve the form and substance of a supplemental resolution or supplemental resolutions setting forth the terms and conditions of the Series 2008 B Bonds; and
- (e) The State Treasurer shall approve the terms and conditions of the Purchase Contract.

Section 4. Approval is granted to the undertaking of the Authority to make mortgage loans to members of the beneficiary classes to enable such borrower to acquire single family homes with all available proceeds from the Series 2008 B Bonds and to refund certain prior bonds, notes and other obligations of the Authority.

ARTICLE 3.

ALLOCATION OF STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

SECTION 1-11-500. Calculation and certification of state ceiling.

The state ceiling on the issuance of private activity bonds as defined in Section 146 of the Internal Revenue Code of 1986 (the Code) established in the act must be certified annually by the Budget and Control Board secretary based upon the provisions of the act. The board secretary shall make this certification as soon as practicable after the estimates of the population of the State of South Carolina to be used in the calculation are published by the United States Bureau of the Census but in no event later than February first of each calendar year.

SECTION 1-11-510. Allocation of bond limit amounts.

- (A) The private activity bond limit for all issuing authorities must be allocated by the board in response to authorized requests as described in Section 1-11-530 by the issuing authorities.
- (B) The aggregate private activity bond limit amount for all South Carolina issuing authorities is allocated initially to the State for further allocation within the limits prescribed herein.
- (C) Except as is provided in Section 1-11-540, all allocations must be made by the board on a first-come, first-served basis, to be determined by the date and time sequence in which complete authorized requests are received by the board secretary.

SECTION 1-11-520. Private activity bond limits and pools.

- (A) The private activity bond limit for all state government issuing authorities now or hereafter authorized to issue private activity bonds as defined in the act, to be known as the "state government pool", is forty percent of the state ceiling less any amount shifted to the local pool as described in subsection (B) of this section or plus any amount shifted from that pool.
- (B) The private activity bond limit for all issuing authorities other than state government agencies, to be known as the "local pool", is sixty percent of the state ceiling plus any amount shifted from the state government pool or less any amount shifted to that pool.
- (C) The board, with review and comment by the Joint Bond Review Committee, may shift unallocated amounts from one pool to the other at any time.

SECTION 1-11-530. Authorized requests for allocation of bond limit amounts.

- (A) For private activity bonds proposed for issue by other than state government issuing authorities, an authorized request is a request included in a petition to the board that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by a copy of the Inducement Contract, Inducement Resolution, or other comparable preliminary approval entered into or adopted by the issuing authority, if any, relating to the bonds. The board shall forward promptly to the committee a copy of each petition received.
- (B) For private activity bonds proposed for issue by any state government issuing authority, an authorized request is a request included in a petition to the board that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by a bond resolution or comparable action by the issuing authority authorizing the issuance of the bonds. The board shall forward promptly to the committee a copy of each petition received.

(C) Each authorized request must demonstrate that the allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the project and any other facilities located at or used as a part of an integrated operation with the project.

SECTION 1-11-540. Limitations on allocations.

(A) The board, with review and comment by the committee, may disapprove, reduce, or defer any authorized request. If it becomes necessary to exercise this authority, the board and the committee shall take into account the public interest in promoting economic growth and job creation.

(B) Authorized requests for state ceiling allocations of more than ten million dollars for a single project are deferred until after July first unless the board, after review and comment by the committee, determines in any particular instance that the positive impact upon the State of approving an allocation of an amount greater than ten million dollars is of such significance that approval of the allocation is warranted.

SECTION 1-11-550. Certificates by issuing authority and by board.

(A) An allocation of the state ceiling approved by the board is made formal initially by a certificate which allocates tentatively a specific amount of the state ceiling to the bonds for which the allocation is requested. This tentative allocation certificate must specify the state ceiling amount allocated, the issuing authority and the project involved, and the time period during which the tentative allocation is valid. This certificate must remind the issuing authority that the tentative allocation is made final after the issuing authority chairman or other duly authorized official or agent of the issuing authority, before the issue is made, certifies the issue amount and the projected date of issue, as is required by subsection (B) of this section. It also may include other information considered relevant by the board secretary.

(B) The chairman or other authorized official or agent of an issuing authority issuing any private activity bond for which a portion of the state ceiling has been allocated tentatively shall execute and deliver to the board secretary an issue amount certificate setting forth the exact amount of bonds to be issued and the projected bond issue date which date must not be more than ten business days after the date of the issue amount certificate and it must be before the state ceiling allocation involved expires. The issue amount certificate may be an executed copy of the appropriate completed Internal Revenue Service form to be submitted to the Internal Revenue Service on the issue or it may be in the form of a letter which certifies the exact amount of bonds to be issued and the projected date of the issue.

(C) In response to the issuing authority's issue amount certificate required by subsection (B) of this section, the board secretary is authorized to issue and, as may be necessary, to revise a certificate making final the ceiling allocation approved previously by the board on a tentative basis, if the secretary determines that:

- (1) the issuing authority's issue amount certificate specifies an amount not in excess of the approved tentative ceiling allocation amount;
- (2) the issue amount certificate was received prior to the issue date projected and that the certificate is dated not more than ten days prior to the issue date projected;
- (3) the issue date projected is within the time period approved previously for the tentative ceiling allocation; and
- (4) the bonds when issued and combined with the total amount of bonds requiring a ceiling allocation included in issue amount certificates submitted previously to the board by issuing authorities do not exceed the state ceiling for the calendar year. Except under extraordinary circumstances, the board secretary shall issue this certificate within two business days following the date the issue amount certificate is received.

(D) In accordance with Section 149(e)(2)(F) of the Code, the secretary of the Budget and Control Board is designated as the state official responsible for certifying, if applicable, that certain bonds meet the requirements of Section 146 of the Code relating to the volume cap on private activity bonds.

(E) Any tentative or final state ceiling allocation granted by the board before the effective date of this act remains valid as an allocation of a portion of the volume cap for South Carolina provided under Section 146 of the Code. The allocations expire in accordance with the regulations under which they were granted or extended and their validity may be extended or reinstated in accordance with the provisions of Sections 1-11-500 through 1-11-570.

SECTION 1-11-560. Time limits on allocations.

(A) Any state ceiling allocation approved by the board is valid only for the calendar year in which it is approved, unless eligible and approved for carry-forward election or unless specified differently in the board certificates required by Section 1-11-550.

(B) Unless eligible and approved for carry-forward election or unless specified differently in board certificates required by Section 1-11-550, each state ceiling allocation expires automatically if the bonds for which the allocation is made are not issued within ninety consecutive calendar days from the date the allocation is approved by the board.

(C) In response to a written request by the chairman or other duly authorized official or agent of an issuing authority, the board, acting during the period an approved allocation is valid, may extend the period in which an allocation is valid in a single calendar year by thirty-one consecutive calendar days to a total of not more than one hundred twenty-one consecutive calendar days.

(D) In response to a written request by the chairman or other authorized official or agent of an issuing authority, the board may reinstate for a period of not more than thirty-one consecutive calendar days in any one calendar year part or all of an allocation approved but not extended previously in accordance with subsection (C) of this section in that same calendar year which has expired. The reinstatement request must certify that the authorized request submitted previously is still true and correct or a new authorized request must be submitted.

(E) A tentative ceiling allocation is canceled automatically if the chairman or other authorized official or agent of the issuing authority involved fails to deliver the issue amount certificate required by Section 1-11-550 to the board secretary before the bonds for which the allocation is made are issued.

(F) The chairman or other authorized official or agent of an issuing authority shall advise the board secretary in writing as soon as is practicable after a decision is made not to issue bonds for which a portion of the state ceiling has been allocated. All notices of relinquishment of ceiling allocations must be entered promptly in the board's records by the board secretary.

(G) Ceiling allocations which are eligible and approved for carry-forward election are not subject to the validity limits of this section. The board shall join with the issuing authorities involved in carry-forward election statements to meet the requirements of the Internal Revenue Service.

SECTION 1-11-570. Budget and Control Board to adopt policies and procedures.

The Budget and Control Board, after review and comment by the committee, may adopt the policies and procedures it considers necessary for the equitable and effective administration of Sections 1-11-500 through 1-11-570.